



**February 7, 2024 Regular Council Meeting**

February 7, 2024

**Addition to the Agenda Questions received from Council seeking additional information and the corresponding responses provided by staff regarding the February 7, 2024 Council agenda items.**

Responses Appreciated Prior to Meeting

I have a question about the Asset Management Plan projection. The latest report from January 10<sup>th</sup> shows that not only does the AMP projection show a deficit in four of the years, it doesn't meet the minimum recommendation of \$2M except for 2024. First off, can you confirm this and second, what amount would need to be put into the AM reserve to meet the minimum recommendation for 2024 – 2033 (assuming no surplus contribution).

*Based on Report FIN-2024-002 presented at the January 10, 2024 Council Meeting, yes this is correct. Below is what was presented at that time:*

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
\$2.9M	\$1.6M	\$1.6M	\$1.4M	-\$460K	-\$392K	-\$1.0M	-\$183K	\$46K	\$1.3M

*Based on Report FIN-2024-004 included on the February 7, 2024 Council Meeting, the current projection from 2024 to 2033 is outlined below:*

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
\$3.3M	\$2.0M	\$1.9M	\$1.7M	-\$123K	-\$55K	-\$708K	154K	\$383K	\$1.6M

*The above projection is based on the capital invoices that have been paid in the system as of today's date. Below is an excerpt from Report FIN-2024-004:*

*The 2019 AM Plan recommends a minimum target balance of \$2.0 million and a maximum target balance of \$4.0 million in the AM Discretionary Reserve. The estimated balances only meet this target balance in 2024 and 2025. The estimated balance does not meet this target balance from 2026 to 2033. The estimated balance becomes a deficit of \$123K in 2028 and continues to be a deficit to 2030 at \$708K. The estimated balance becomes positive in 2031 and increases to a positive balance of \$1.6M by 2033.*



The amount that would be needed to be contributed into the AM Discretionary Reserve to get closer to meeting the minimum recommendation for 2024 to 2033 is an additional amount of approximately \$250K contribution per year. If the contributions were increased by \$250K per year, the projections are as outlined below:

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
\$3.5M	\$2.5M	\$2.7M	\$2.7M	\$1.1M	\$1.4	\$1.0M	\$2.2M	\$2.6M	\$4.1M

The table below shows a comparison between the AM contributions included in the current budget by-law included on this agenda package and what the AM contributions would look like if increased by \$250K per year. The \$250K per year would have an annual capital tax levy impact:

Year	Proposed Budget By-law	\$250K per year increase
2024	\$949,075	\$1,199,075
2025	\$1,155,700	\$1,405,700
2026	\$1,258,700	\$1,508,700
2027	\$1,290,700	\$1,540,700
2028	\$963,044	\$1,213,044
2029	\$1,245,450	\$1,495,450
2030	\$1,265,700	\$1,515,700
2031	\$1,290,700	\$1,540,700
2032	\$1,275,700	\$1,525,700
2033	\$1,295,700	\$1,545,700

#### 9.2.1 Report FIN-2024-003 – 2023 Completed Capital Projects

-with regard to Schedule A under the difference column, of the **\$2,277,204** how much is savings and how much is carried forward?

*This is difficult to answer as the Township is still receiving invoices from vendors for 2023 work performed on capital projects that were completed in 2023. The above amount is based on the capital invoices that have been paid in the system as of today's date. Similar to previous years,*



*staff will provide Council with the 2023 Township General Surplus calculation after the 2023 audit is completed (March/April 2024) which will better answer this question.*

**9.2.2 Report FIN-2024-004 – Balances in Discretionary and Restricted Reserves**

*-why doesn't the Capital Carry Forward projects in Schedule A match in title and amounts the Capital Carry Forward projects noted in Schedule A of 9.2.1 Report FIN-2024-003 – 2023 Completed Capital Projects?*

*The Capital Carryforward projects noted in Schedule A were either funded by tax levy funding or grant funding in 2023. These funds not used for these projects need to be contributed to the capital carryforward discretionary reserve in order to not be incorporated in the annual surplus calculation. Schedule A of Report FIN-2024-003 – 2023 Completed Capital Projects includes all capital carryforward projects (including tax levy funded, grant funded, restricted reserve funded, discretionary reserve funded, etc.).*

**9.2.4 Report FIN-2024-006 – 2024 Budget Final**

*-there were several comments suggesting taxes should match cost of living; what has been the tax increase over the past two years including 2024 and the corresponding inflation rate (will need to use estimate 2024 inflation rate)?*

*Clause 4c of the Budget Development and Control Policy is as outlined below:*

*Staff prepares a budget for Council's consideration incorporating a Township total tax increase on the median/typical Single Family Home not greater than the proposed budget year's Consumer Price Index (CPI) inflation rate as outlined in the Ontario Budget and as determined by Statistics Canada and Ontario Ministry of Finance before adding on the dedicated capital levy impact for the proposed budget year.*

*The table below outlines the Township tax increase on the Typical Single Family Home from 2022 to 2024 proposed (including both the operating and capital tax levy). The table compares the budget to the CPI for Ontario from May to May for those years:*

<b>2022 Approved</b>	<b>May 2020 to May 2021 CPI</b>	<b>2023 Approved</b>	<b>May 2021 to May 2022 CPI</b>	<b>2024 Proposed</b>	<b>May 2022 to May 2023 CPI</b>
3.83%	3.70%	4.50%	7.80%	4.10%	3.10%

Can staff comment on the Volunteer Firefighters Tax Credit change from \$3k to \$10k for Puslinch



*This increase in the non-refundable tax credit which is applicable to any Township volunteer firefighters who meet the required 200 hours annually would be a positive change for those volunteer firefighters. It would also help with volunteer firefighter retention.*

6.7 The County of Prince Edward resolution regarding Expand Life of Fire Apparatus  
Is there merit to support the resolutions specifically as it relates to extending the service years for fire trucks?

*Staff agree that it is difficult financially for some small and rural municipalities to meet the same standards for fire equipment set by FUS as larger and busier municipalities. These municipalities do feel pressure to move fire trucks out when they reach a specific age, even though they may have low engine, pump, aerial hours, and low kilometres, and these vehicles can still meet the safety regulations during annual testing. This type of annual testing does have increasing costs each year that the vehicle goes beyond its life cycle. However, Puslinch Fire and Rescue Service is a very busy department (387 responses in 2023) compared to other smaller or rural departments due to the proximity to the 401 and our growing industrial and residential areas. PFRS's current practice is to attempt to maintain the service life of all fire apparatus to 20 years. In Puslinch, despite excellent preventative maintenance and repairs, the present reality is that the fire department is not able to keep most vehicles in service for 20 years due to reliability, service and safety issues. There are a number of risks associated with extending the service life past 20 years, including but not limited to:*

- Increased maintenance costs as the vehicles age and deteriorate*
- Decreased availability and reliability as the vehicle is taken out of service at increasing frequency*
- Unpredictable and unscheduled breakdowns responding to or operating at emergency scenes affecting operations and safety of firefighters or the public*
- Sooner than scheduled apparatus replacement due to safety or functional problems which are not budgeted for in the year required*
- Refurbishment of vehicles to keep in service has a significant expense, but aged vehicle components remain.*

*Based on the specific needs of Puslinch Fire and Rescue, staff do not recommend supporting the resolution from The County of Prince Edwards as the Puslinch Fire and Rescue Service as fire apparatus, particularly those with fire pumps and aerial devices, are not similar to other trucks. They are required to perform reliably in emergency incidents without fail. The ability of the fire department to meet the service expectations for the Township diminishes as the age of the fleet*



*increases and deteriorates. In such a scenario, the risk to firefighters and public safety should not be endorsed for our community.*

Building Department Update – What types of structures are considered Accessory Structures? Do we track ARU’s separately? Would it be possible to start showing ARU’s as a separate line item? It would be interesting to see how many ARU’s are being permitted throughout the year and how it compares to previous years.

*Accessory structures line include sheds, gazebos, pool sheds, detached garages, decks and porches. Both Pool sheds and detached garages may contain Accessory Residential Units (ARU’s).*

*Moving forward the building department will include a separate line item to include when ARU’s are created. For the Q4 of 2023 report, of the 5 dwelling units that were created, 1 ARU contributed to the that total. See below for updated chart.*

<b>SUMMARY TOTALS</b>	<b>2023</b>	<b>2022</b>
<b>Total Permits Issued</b>	<b>50</b>	<b>51</b>
<b>Total Permit Fees</b>	<b>\$76,681</b>	<b>\$84,778</b>
<b>Total Permit Value</b>	<b>\$10,804,900</b>	<b>\$10,346,370</b>
ARU's created	1	0
Dwellings Created	4	4
<b>Total Dwellings Units Created</b>	<b>5</b>	<b>4</b>

Budget – Through the community engagement piece – Roads were identified as being one of two services that are most valued by our community (along with fire). There is also some feedback in terms of defining the level of service and what that looks like – with the example of gravel roads being provided. It would be valuable for residents to have a clear understanding of how roads are maintained (especially gravel roads) over the winter months. This has been increasingly evident this winter with warmer than usual weather and also increases in traffic on sideroads while the bridge on County Road 35 is closed. Is there a way we can improve our communication with the public regarding winter maintenance on roads? Whether this would be a report to council, or a page on the website, or a consultant review and corresponding



report on best practices. I feel the public would appreciate knowing what they can expect in terms of service levels through winter months specifically on gravel roads and specifically as we begin to experience warmer and warmer winters. Would staff be able to provide some advice on how we could achieve this?

*The Township website currently includes a page dedicated to Local Roads and Sidewalks: <https://puslinch.ca/for-residents/utilities-services/local-roads-sidewalks/> This page includes a listing of Township roads and the road classification in accordance with O Reg. 239/03 Minimum Maintenance Standards for Municipal Highways. The webpage also includes a quick reference chart outlining the 'time to clear' snow from roads based on the road classification. Please note that the Township only has class 3, 4, and 5 roads within its jurisdiction.*

Road Classification	Time to clear
1	The Township does not maintain any Class 1 Roads
2	The Township does not maintain any Class 2 Roads
3	12 hours, when snow reaches a depth of 8 cm Roads to be served first by the Township Ice to be treated within 8 hours
4	16 hours, when snow reaches a depth of 8 cm Roads to be served second by the Township Ice to be treated within 12 hours
5	24 hours, when snow reaches a depth of 10 cm Roads to be treated third by the Township Ice to be treated within 16 hours

*There is additional information that could be added to the website such as the Patrolling Frequency Table which outlines the patrolling frequency based on road classification as noted below:*



TABLE  
PATROLLING FREQUENCY

Class of Highway	Patrolling Frequency
1	3 times every 7 days
2	2 times every 7 days
3	once every 7 days
4	once every 14 days
5	once every 30 days

*Staff also note that information specifically related to maintaining non-paved roadways could be included on the website such as the below table which outlines the class of road, depth of pothole, and response times.*

TABLE 2  
POTHOLE ON NON-PAVED SURFACE OF ROADWAY

Class of Highway	Surface Area	Depth	Time
3	1500 cm <sup>2</sup>	8 cm	7 days
4	1500 cm <sup>2</sup>	10 cm	14 days
5	1500 cm <sup>2</sup>	12 cm	30 days

*Staff can provide this additional information regarding gravel road maintenance on the Local Roads & Sidewalks page on the website. Further staff can issue an information bulletin at the beginning of winter and ahead of winter storms on the Public Notices Section of the website directing to quick links to the website for more information. Additionally, staff can include information in the Township's tax insert directing residents to the website. Staff continue to develop standard messaging when feedback is received during snow events.*

6.6 & 6.7 Can staff comment on the Volunteer Firefighters Tax Credit change from \$3k to \$10k for Puslinch

*This increase in the non-refundable tax credit which is applicable to any Township volunteer firefighters who meet the required 200 hours annually would be a positive change for those volunteer firefighters. It would also help with volunteer firefighter retention*



; and can staff comment on the County of Prince Edward resolution regarding Expand Life of Fire Apparatus for Puslinch. Would there be a local benefit?

*See response above.*

Regarding budget survey report: is there a way to directly respond to unanimous entries? It would be good to be able to respond to inquiries and to rectify misinformation.

*There is not a way to contact respondents who submitted anonymously.*

*The EngagePuslinch Platform offers participant settings to determine who can participate. Currently staff sets all participation setting to “Anyone” which allows anonymous submissions. There are additional setting where the Township could require a participant be registered to the site or provide an email address and screen name in order to participate. If the Township were use these participation options it is possible that there may be a decrease in the number of participants due to the lack of anonymity.*

*An alternative to changing the participation setting could be to include a question in the survey asking participants to provide their email address in order for the Township to follow-up on their submission if required (they would be advised that their emails would only be used for this purpose and redacted on the survey results). This question could be mandatory or optional, however if the question is mandatory again there is potential to see less engagement as due to the lack of anonymity.*

6.12 Mill Creek Pit: What does “for those monitoring wells that can be measured” mean? Are there more monitors available if so, why are they not giving data from those monitors?

*During the winter, it has happened that some wells are frozen. That is not the case for the December 2023 report. All available wells were monitored, and all threshold values were obtained and there are no exceedances. It is suspected that it is a statement attached to all of the monthly compliance reports.*



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## OEB issues decision on remaining Phase 1 issues in Enbridge Gas Inc.'s 2024-2028 Rates Proceeding

### DECISION

Today, the Ontario Energy Board (OEB) issued its [Decision and Order](#) on the remaining Phase 1 issues in Enbridge Gas Inc.'s (Enbridge) application seeking approval for changes to the rates it charges for the sale, distribution, transmission, and storage of gas starting January 1, 2024. These are the Phase 1 issues that were not the subject of the [settlement proposal](#) that was approved by the OEB earlier this year.<sup>1</sup>

This is the first cost of service proceeding for the amalgamated utility<sup>2</sup>, and the first OEB proceeding to consider a natural gas rates application in the context of the energy transition.

An oral hearing on most of the unsettled Phase 1 issues was held over 18 hearing days between July 13, 2023 and August 11, 2023, with the remainder going directly to written submissions.

The OEB's Decision and Order is organized into three main sections: Energy Transition, Amalgamation and Harmonization Issues and Other Issues.

### KEY FINDINGS

#### Energy Transition

The intersection of the energy transition and the approvals sought by Enbridge was a major focus of this proceeding. The OEB made the following key findings:

1. The energy transition poses a risk that assets used to serve existing and new Enbridge customers will become stranded because of the energy transition. Enbridge has not provided an adequate assessment of this risk to demonstrate that its capital spending plan is prudent. The stranded asset risk affects all aspects of Enbridge's system and its proposals for capital spending on system expansion and system renewal.
2. The OEB reduced the overall proposed capital budget for 2024 by \$250 million. Enbridge is expected to utilize its project prioritization process to accommodate this envelope reduction. The OEB did not accept the current Asset Management Plan as a basis to support the proposed capital investments.
3. For the proposed system expansion capital spending plan, the OEB determined by majority decision that for small volume customer connections, the revenue horizon that Enbridge uses to determine the economic feasibility of new connections is to be reduced from 40 years to zero, thus reducing stranded

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<sup>1</sup> [Decision on settlement proposal, August 17, 2023](#)

<sup>2</sup> Enbridge Gas Distribution Inc. and Union Gas Limited (Union) amalgamated effective January 1, 2019 to become Enbridge Gas Inc.

asset risk to zero, effective January 1, 2025.<sup>3</sup> Projects under the current phase of the Natural Gas Expansion Program are excluded from this requirement.

4. For the proposed system renewal capital spending plan, the OEB determined that Enbridge needs to put more emphasis on monitoring, repairing and life extension of its system so that replacement projects are only implemented where absolutely necessary in order to address the stranded asset risk in that context.
5. To address the issue of stranded asset risk further, for its next rebasing application the OEB requires Enbridge to carry out a risk assessment and to consider a range of risk mitigation measures, including:
  - a. How Enbridge would prune its existing system to avoid the replacement of assets
  - b. What role Enbridge's depreciation policy should play in reducing the stranded asset risk
  - c. How Enbridge will identify maintenance, repair and life extension alternatives to extend the life of existing assets instead of long-lived replacements that increase the stranded asset risk

See Section 7 in today's Decision and Order for a complete list of the required filings.

6. Given the increased risk for Enbridge's business due to the energy transition, partially offset by other factors resulting from amalgamation, the OEB approved an increase in Enbridge's equity thickness from 36% to 38%.

### **Amalgamation and Harmonization Issues**

Amalgamation issues were another major focus of this proceeding. Enbridge sought approval of harmonization ratemaking proposals, accounting policies and recovery of integration costs. In its key findings, the OEB:

7. Was satisfied that the amalgamation produced savings that will be reflected in 2024 rates. Since Enbridge was able to achieve savings that exceeded its integration capital investments, the OEB denied Enbridge's proposal to add \$119 million of integration capital to its 2024 rate base.
8. Denied Enbridge's proposed recovery of \$156 million of Pension and Other Post Employment Benefit expenses recorded in the Accounting Policy Changes Deferral Account related to the pre-2017 Union amortized actuarial gains/losses.
9. Approved the proposed harmonized depreciation methodology, except for the capitalization of indirect overheads.
10. Approved the Average Life Group depreciation procedure, the Traditional Method for net salvage calculations and updated asset life parameters to calculate depreciation expense.
11. Approved the proposed overhead harmonization methodology, except for the capitalization of indirect overheads. The OEB did not approve the proposal to capitalize \$292 million in 2024. Recognizing that a

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<sup>3</sup> One Commissioner, who did not find support in the evidentiary record for the zero-year revenue horizon, dissented on this point alone, finding that a 20-year revenue horizon is appropriate for Enbridge's small volume expansion customers, effective January 1, 2025. A reduction from the current 40 years to 20 years is a measured, incremental approach to mitigating the risk of stranded asset costs resulting from switching away from natural gas as an energy source, thereby protecting existing customers.

requirement to expense the entire \$292 million in 2024 would have a large impact on 2024 rates, the OEB directed Enbridge to expense \$50 million of the indirect overhead amount in 2024 and capitalize the remainder. In subsequent years during the incentive rate-making term, Enbridge shall reduce the capitalized amount by expensing a further \$50 million in each year.

## Other Issues

There were other issues in the proceeding, in addition to the energy transition and amalgamation-related issues, as detailed in the [approved Issues List](#). In its key findings, the OEB:

12. Approved the proposed levelized treatment for the Panhandle Regional Expansion Project and the establishment of the proposed deferral account.
13. Accepted Enbridge's proposed changes to the Natural Gas Vehicle program provided that it operates as an ancillary business separate from the regulated utility and operates on a fully allocated cost basis, and any losses are at Enbridge's risk.
14. Will not make any base rate adjustment related to Parkway Delivery Obligation costs for the 2019 to 2023 period, as some intervenors had proposed.
15. Denied Enbridge's proposed Volume Variance Account. The OEB approved a harmonized average use variance account based on the average use forecast methodology approved as part of the settlement agreement.
16. Will not establish an International Financial Reporting Standards Deferral Account at this time.
17. Will not require an Earnings Sharing Mechanism for the 2024 Test Year.
18. Approved the partial exemption to the Performance Measurement target metric for the Time to Reschedule a Missed Appointment to 98%. The OEB denied the partial exemption to the Performance target metric for the Call Answering Service Level and Meter Reading Performance Measurement.
19. Approved January 1, 2024 as the effective date for 2024 rates.

Enbridge was directed to file a draft rate order with the OEB by February 12, 2024 that, among other things:

- Reflects the OEB's findings in today's Decision and Order, and that rates for 2024 will be interim pending the completion of Phase 2 of this proceeding,
- Includes customer rate impacts
- Proposes the appropriate implementation date

Intervenors and OEB staff will have an opportunity to comment on the draft rate order filing before the OEB issues a final rate order. The OEB's intention is that the interim rates for 2024 should be implemented as soon as possible.

The OEB will provide further guidance on the timing of Phase 2 evidence, as well as on the issues that it expects will be addressed in Phase 2, in due course.

## **About the OEB**

The OEB is the independent regulator of Ontario's electricity and natural gas sectors. It protects the interests of consumers and supports the collective advancement of the people of Ontario. Its goal is to deliver public value through prudent regulation and independent adjudicative decision-making which contributes to Ontario's economic, social and environmental development.

## **Contact Us**

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*Ce document est aussi disponible en français.*

*This Backgrounder was prepared by OEB staff to inform Ontario's energy consumers about the OEB's decision and is not for use in legal or regulatory proceedings. It is not part of the OEB's reasons for decision; those may be found in the Decision and Order issued today, which is the official OEB document.*

### **Policy direction on natural gas**

Natural gas is an important resource fulfilling three main essential and distinct functions in Ontario's energy system today. As a fuel for electrical power generation, natural gas plays a critical role in providing dispatchable balancing and peaking services. As a fuel for space and water heating, natural gas has long been the cheapest option and has been adopted by the vast majority of Ontario households. Finally, as a source of industrial process heat and a feedstock for production in the chemical industry, natural gas plays an important role in supplying cost-competitive energy and material inputs. Today natural gas makes up almost 40 per cent of Ontario's energy mix.

Yet today, Ontario faces a fundamental conundrum with regard to the future of this resource. There are growing indications that it is unlikely that the natural gas grid can be decarbonized and continue to deliver cost-effective building heat. There is growing doubt that it will be possible to replace the vast quantities of fossil fuel natural gas used today with clean alternatives, such as renewable natural gas (RNG) or hydrogen, in a cost-effective manner. Likewise, it is no longer clear that natural gas is the cheapest way to heat buildings, and customers may begin choosing to disconnect from the natural gas distribution system in the mid-term. This leads to a real risk of economically stranding the rate-regulated distribution assets used for home heating, with significant risk to customers, investors, and public finances.

At the same time, there is mounting concern that increasing electricity demand – whether for building heat or in other parts of the economy (transportation, industry) - will strain the capabilities of the grid to deliver reliable affordable power. For example, in Ontario, replacing the 582 petajoules of natural gas for space and water heating (representing 22 per cent of Ontario's final energy demand, 2021 numbers) with electricity is a substantial undertaking, requiring a large amount of additional supply, along with the transmission and distribution infrastructure needed to deliver it. This is fundamentally a challenge of pacing: pacing the rate of increase in electricity demand with the rate at which new electricity supply can come on stream. In the years to come, the natural gas delivery system can play a strategic role as a source of affordable reliable energy, whether through hybrid heating or other means of optimizing the electricity and gas delivery systems for the clean energy economy. Which approaches make the most sense from a clean economy perspective will differ from one part of the province to another (region to region, community to community).

Governments and regulators in other jurisdictions have identified this medium to long-term risk and are developing plans for a well-managed long-term transition that would protect customers, provide clear signals to investors and focus natural gas system resources in the most efficient and effective manner. In the long term, this could be balanced with a manageable and realistic amount of hydrogen, RNG or fossil gas with CCUS for such priority areas as electricity generation for reliability and backup purposes and hard to decarbonize industrial applications.

New York, in its [Scoping Plan](#), states that “a well-planned and strategic transition of the gas system will require coordination across multiple sectors” and that “integrated planning will ensure the transition is

equitable and cost effective for consumers without compromising reliability, safety, energy affordability, and resiliency.” At the same time, New York states that “it is important that the strategic transition to a decarbonized gas system in New York State does not impose undue cost burdens on customers who currently rely on this fuel for home heating, especially those who can least afford cost increases.” Similarly, Massachusetts’s [Clean Energy and Climate Plan for 2050](#) stated that in 2023 the state will undertake work on “defining long-term policy directions to manage the future of the natural gas distribution system.”

It is clear natural gas will continue to play a critical role as a source of energy in the province for the short and medium-term. The medium to long-term future of the cost-effective use of natural gas is less certain. Detailed and iterative analyses, engagement and regulatory policy will be needed to effectively navigate the future role of natural gas. The OEB will play a central role in this process, in both its regulatory policy role and as adjudicator of utility rate applications. Directional policy guidance from government will be needed to enable the OEB to proactively work with utilities to develop a viable plan amid a well-managed transition. As the electricity planning entity, the IESO will play an essential part in advising government on the role of natural gas generation for reliability and peaking power, as well as the pacing of demand and supply to ensure the electricity sector is able to accommodate additional demand from fuel switching.

Recommendation 6: In order to provide clarity to utilities, investors and customers, the Ministry of Energy should provide policy direction on the role of natural gas in Ontario’s future energy system as part of its next integrated long-term energy plan. This policy direction should be consistent with the clean energy economy policy commitment and consider the various roles natural gas plays across the energy system.

This policy direction will require thorough technical, policy and regulatory analysis, collaboration among government, sector partners, and provincial agencies and a public engagement process. The outcome should be to manage the system optimization and fuel switching necessary to achieve a clean energy economy at a pace that maintains affordable, reliable and resilient energy service.

Key areas of analysis should include but not be limited to:

1. Maximizing energy efficiency programs, with an emphasis on cost-effective measures that contribute to the long-term success of the energy transition (e.g. building envelope improvements versus appliance upgrades)
2. Updating building and construction codes and standards
3. Evaluating the feasibility of innovative decarbonization solutions for the natural gas system, including renewable natural gas, clean hydrogen, and carbon capture, utilization and storage
4. Opportunities for gas system optimization, including hybrid heating
5. Distributional impacts on Indigenous communities
6. Distributional impacts on labour, the average energy consumer, rural and remote communities, and vulnerable communities

7. Complexities and challenges of industrial fuel switching and implications for economic competitiveness
8. Feasibility of alternatives for dispatchable natural gas as reliability and peak power resource
9. Opportunities, options for, and consequences of strategic decommissioning or right-sizing of natural gas infrastructure in the long term